

Michigan, to do business with pharmacists across the border in Canada and in other places where we know it can be done safely.

In our legislation, we will be making sure prescription drugs are safe by ensuring that drugs are monitored after they are approved for use. We will ensure all children and pregnant women will have health care. We understand how critical it is that we protect Medicaid and work with the States across this country to make sure that health care is available through Medicaid.

We will also reduce the growing cost of health care to small businesses by offering tax credits, while also modernizing health care to cut costs for patients and businesses.

While we are lowering health care costs, we are going to revamp the last Congress' Medicare bill—if we have the opportunity to do so, that is certainly our wish as Democrats—and take the special interests out of the Medicare bill by repealing the provision that makes no sense at all that prevents Medicare from negotiating the best possible price for our seniors.

While we will eliminate the slush fund for HMOs, we will also improve the prescription drug benefit by phasing out the current coverage gap where seniors pay a premium but do not get a benefit.

I am told that if, in fact, we negotiated in Medicare the same price cuts that we do through the VA for the veterans, we would not have a gap in the Medicare prescription drug law at all. There would not be a gap in benefit. We need to make that change so our seniors have the very best possible Medicare prescription drug benefit.

We as Democrats will work to lower Part B premiums so premium increases are not as steep as the one that took effect in January. We will address incentives that encourage employers to drop retiree benefits and ensure that our seniors will not be forced into HMOs while other seniors transition into a new benefit.

In the United States, the foundation of our incredible democracy is the fundamental right to vote. That is another important part of the legislative package we have put forward today. It does not matter if one is rich or poor, black, brown or white, all Americans have the right to one vote. It is the great equalizer. When one is voting and walks out of the voting booth, each one of us walks out as an equal. Unfortunately, we have had major problems in our voting systems in the last few elections, as we all know. We have determined, as Democrats, to reform the voting system in this country to create Federal standards for our elections and to be able to add verification, accountability, and accuracy to this system. Together we should be moving as quickly as possible to do this.

Our legislation increases access to the polls with election day registration, shorter lines, early voting. The bill also aims to modernize our elec-

tion equipment and increase impartiality and provides the resources to our States to implement the bill.

While our agenda is ambitious, we have a plan to pay for every single initiative we are proposing at the beginning of this session, our vision of keeping America's promise.

Unfortunately, in the past 4 years, colleagues on the other side of the aisle and the administration have turned a large surplus, in fact the largest surplus in the history of the country, into the largest debt. We know that fiscal mismanagement today only leads to greater problems for our children and our grandchildren. It is our responsibility to address the fiscal irresponsibility of the current administration by imposing discipline today and we invite our colleagues on the other side of the aisle to make that a new priority, a fresh priority, in this new Congress. We are united to strengthen our budgeting rules that require the Government to live within its means.

The bottom line is that we today, the first day, we can introduce bills in the new session, have come together as Democrats to put forward our vision of keeping the promise of America. It is rooted in security. We must be safe. Our families must be safe. We must make sure we are providing all that we must for our troops and those who have served us and are now our veterans.

We are also committed to creating opportunity for everyone who works hard and plays by the rules, cares about their children, to create opportunity to be successful. We want everyone to dream big dreams and be able to reach for the stars and touch them and be successful within the American dream.

We also understand that when we create opportunity, with that comes responsibility. We each have responsibility to step up and work hard, but we also know we have responsibility for each other. We have responsibilities as parents to our children to create the security they need, the opportunity they need, and to instill responsibility in them, and that as a community we have responsibility one to another, just as we do for our family, and our country has a responsibility to make sure those opportunities are present.

This is an important day. It is the beginning of the new session, a new opportunity. We stand ready to work with the administration and our colleagues on the other side of the aisle to truly keep the promise of America, not just for some but for everyone in our country who is working hard every day and counting on us to make sure that dream is available and that promise is kept for them and their families.

I yield the floor.

The PRESIDING OFFICER. The Senator from Illinois.

PRESCRIPTION DRUGS

Mr. DURBIN. Mr. President, many people recall that over a year ago there

was a debate on the Senate floor about the cost of prescription drugs. It was a lengthy debate, and it involved a lot of concern about the fact that a lot of senior citizens find the life-protecting drugs they are taking to be too expensive.

We have known for a long time that Medicare, a very valuable Federal Government program, has been more than miraculous in its results. When it was instituted during the term of President Lyndon Johnson, there was hope it would help seniors pay for their medical bills and improve the quality of their lives. It has done that and more. It has become an extremely valuable program because seniors have used Medicare for access to doctors and hospitals, and the proof is in longevity. Seniors are living longer. They are getting better medical care. It was truly one of the best Government programs ever created, but there was a gap in those programs. It didn't cover prescription drugs for those who were not in the hospital. So seniors found that new drugs that kept them healthy and out of the hospital were too expensive. Some couldn't take the drugs because they couldn't afford them. Others had to make terrible life choices between their lifesaving drugs and basic necessities of life.

For a long time we have talked about establishing under Medicare a prescription drug program that would help these seniors—and disabled people, who also qualify under Medicare. The debate got started, and it looked promising. There was the belief that we were finally moving to a goal that we have talked about for a long time. Unfortunately, during the course of the debate there were political forces at work in Washington. That is not unusual. The largest political force at work was the pharmaceutical drug industry. They understood that if we gave to Medicare the power to bargain for senior citizens in America, that power would force the drug companies to reduce their cost, so the pharmaceutical companies, one of the most powerful lobbying organizations in Washington, successfully lobbied the Bush administration and supporters of the bill to prohibit Medicare from creating a drug benefit program under Medicare which would hold the drug companies accountable for cost increases.

They got the best of both worlds. They not only could continue to sell expensive drugs to seniors, there is no pressure on them to reduce the cost. Drug companies are very profitable, and they understood that with this change in the law, they would continue to make enormous sums of money off of seniors and the Government for a long time to come.

Some of us who voted against the program as presented by the President suggested that, unless there was some cost containment here, this program would break the bank; it would cost too much; drug prices would go up, and

the Federal Government could not appropriate money fast enough to take care of it.

Then they started describing the prescription drug program, and it quickly reached the point that even a Harvard trained lawyer couldn't understand what it was all about. I have sat down with seniors in Illinois and tried to explain to them what this prescription drug plan was all about, and after a while they threw up their hands and said: Senator, wasn't there an easier way to do this? And the honest answer was: Yes, but we didn't choose that easier way.

Because of some budgetary considerations and political considerations, we created an extremely complicated program for senior citizens. That program ultimately did not reach a point where seniors approved of it. In fact, most of the seniors in Illinois who I talked to are not only skeptical of this program, they are critical of it. They are not sure it would really help them.

The administration—the President—was very smart. He decided to postpone the startup of this program until after the last election. He knew, and I am sure we all do now, that when this program starts a lot of seniors are going to see just how bad it is, how complicated it is, how uncertain it is, and because of those uncertainties many of them will be critical of the Congress that enacted the law and the President who presented it to us for enactment.

So at this point we have a problem before us, a program that is about to go into effect which has uncertain monthly premiums, has a so-called donut hole, which means it covers drugs up to a certain point in their cost and then leaves the individual senior citizens on their own for a period of time as they spend the money out of pocket and then comes back to cover them again. It also has some curious provisions where seniors cannot buy supplemental insurance to make up the deficiencies in the prescription drug bill. They are banned, prohibited. It also expressly says Medicare cannot create its own prescription drug company and bargain for senior citizens—once again to protect the profitability of pharmaceutical companies.

As bad as this bill was, we were waiting for the regulations written by the Bush administration which would spell out the details of how this process will work. Last Friday the Bush administration released 1,500 pages of new rules and regulations related to the new Medicare prescription drug program—1,500 pages. I can remember when President Reagan showed up for the State of the Union Address with a huge copy of a bill we had just passed, an appropriations bill, slamming it on the desk saying what an embarrassment it was to the American people that we would have a bill of such complexity and magnitude. Here we have the regulations for the prescription drug bill, an already complicated bill, 1,500 pages in length. When you look at

the details of this prescription drug benefit, you understand why many senior citizens are skeptical.

Sally Mitchell is a 66-year-old widow who lives in Aurora, IL, and takes three prescription medications every day. She told the Chicago Tribune that she:

wished Medicare would come up with something that would be easier for people to understand and use.

That is not an unreasonable request from Mrs. Mitchell. In her words, she went on to say:

If it's too much work and too much stress, at my age it's not worth it for me to just save a couple of dollars.

That is what many senior citizens have found. As this administration came forward with discount cards and prescription drug benefits, a lot of them have said it is not going to work.

When you take a hard look at the philosophy driving this complicated bill, protecting this private interest group, you get further insight into the concept of the ownership society. This is the new concept. This is the brave new world we are hearing about, which says that basically the Government should not be making certain that there is competition for these drug companies. Let them own their products. Let them sell their products. The Government should not be standing in the shoes of the senior citizens who need these prescription drugs, understanding the complexity of the system and the cost of the system. No, no, the Government should step aside. Let the seniors own the program.

I believe a lot of seniors are going to disown the program. The President tells us that turning America into "an ownership society" will solve our retirement security problems. Just privatize part of Social Security and give Medicare beneficiaries a voucher so they can buy private prescription drug coverage and the problems are solved.

But I think seniors see through this. They understand that what they are hearing from the administration about Social Security and Medicare does not give them peace of mind. If there are challenges in Social Security, they are in the distant future, as I said in an earlier floor statement: 37 years from now. If we are to make changes, they should be changes that don't cut the benefits for Social Security retirees and beneficiaries. They should not create an additional national debt of \$2 trillion or more, but that is the projection coming out of the President's suggestions.

We will wait for the details. In fairness to the President, he should present this to us in its entirety. It is an interesting theory to think that we can start privatizing Medicare, Social Security, Medicare prescription drug programs, but here is the reality: 1,500 pages of regulatory gobbledygook, big guaranteed profits for the pharmaceutical industry and the HMOs and insurance companies, and precious little savings for people like Sally Mitchell of Aurora, IL.

Why is this all so complicated and so costly? Because when the Medicare prescription drug benefit was designed, it was with the pharmaceutical companies and the HMOs in mind, not the seniors of America. Instead of simply offering a prescription drug benefit through Medicare and negotiating bulk prices, we divided the country into 34 pharmaceutical regions. This is a map that shows these regions. We are going to have to spend \$300 million to explain to seniors what region they live in and who is going to offer prescription drug coverage in each of these regions.

Do you remember when there was a discussion about the Clinton proposal for dealing with the cost of health care? Senator DOLE and others came to the Senate floor with this flowchart which showed a spaghetti mess of lines going every single direction. That applies as well to this prescription drug benefit from the Bush administration. Each of the 34 regions on the map that I just showed you will have at least 2 private options for prescription drugs, either a prescription drug plan or an HMO. If there are two plans in each region, it means instead of the Secretary of Health and Human Services negotiating on behalf of 41 million seniors for lower drug prices, pharmaceutical companies will be negotiating with 68 private companies on behalf of seniors.

Think about your negotiating power at the table when you divide the number of seniors by 68 instead of having Medicare bargaining on behalf of all 40 million-plus seniors. Simple economics tells you, you lose your negotiating power when the number of people you are representing goes down, as the power of the pharmaceutical companies goes up.

What is worse is that private plans can change their drug formularies after seniors sign up, but the seniors are locked into it. That is right. If you decide you need to sign up for a prescription drug plan the President is proposing, and one of these companies decides it is going to stop carrying the drug that the doctor told you that you needed, you are still stuck with that prescription drug program you signed up for. So if you do your research and decide on a plan in your area because it offers a low price for a drug you are taking, you are locked into that plan, but it can drop coverage of your drug during the year.

The regulations released on Friday also govern bidding by HMOs wanting to contract with Medicare. The HMOs are divided into 26 regions. Although most seniors are happy to receive their benefits directly through Medicare, we will spend \$14 billion over the next 10 years to expand coverage by HMOs. The Republicans who passed this argued that the HMOs and private insurance companies could do things more effectively and efficiently.

Yet we have built into this proposal a Federal subsidy of millions, if not billions, of dollars to the HMOs to reward them for competing. Something is

wrong with this picture. If they are supposed to be so efficient, why do they make it a Federal subsidy? The sponsor of the bill couldn't explain it. The private plans are 7 to 9 percent more expensive than Medicare fees for service and less efficient. And we are going to subsidize it so they can compete with whatever Medicare has to offer?

PacifiCare CEO Howard Phanstiel told Bloomberg News over the weekend: "We are encouraged that CMS continues to demonstrate its commitment to be a good business partner with the private sector." But isn't it Government agencies' first obligation to seniors and the citizens of this country rather than to the businesses that will profit from this new arrangement?

Let us take a look at Mr. Phanstiel and his colleagues in the HMO industry. He made more than \$3 million in the year 2003, the year we passed the Medicare bill. As a result of this bill, many companies and many others like it will probably make even more because Mr. Phanstiel's company will have access to some 700,000 Medicare beneficiaries in addition to the ones he currently serves.

When you look at compensation, the CEO of Aetna, \$8.9 million; Larry Glasscock's compensation, \$6.8 million. Here is one CEO who earned \$21.6 million. Look at what these HMO CEOs are making. And now we are not going to cut into their profits but increase them.

When Mr. Phanstiel sent this nice thank-you note to CMS, a Federal agency, and said they are continuing to demonstrate their commitment to be a good business partner, it means even more money and profits for the HMOs at the expense of senior citizens.

When it comes to pharmaceutical companies, this chart tells you what happened to the Fortune 500 companies in America. This is the analysis of the 2002 profits. Look, if you will, at the return on revenues. The No. 1 industry, pharmaceuticals; return on assets, No. 1 industry, pharmaceuticals.

When you turn on the television and you can't escape another ad for the "little purple pill," let me tell you that company is spending more money on advertising than it is on research to find new drugs. They are trying to create an appetite and desire among American consumers to buy drugs they don't need; too expensive drugs, I might add. In this situation, you are going to find pharmaceutical companies doing even much better because the Medicare prescription drug plan says they don't have to compete.

Is the idea of asking drug companies to reduce their costs to help people under Federal programs a radical, Socialist, Communist, collectivistic idea? I don't think so. Go to the Veterans' Administration. That is exactly what they do. They call in the drug companies and say: We have a lot of veterans in America who are going to VA hospitals to pick up their drugs through a program we are offering. If you want to

sell drugs to them, you have to give us your best price. And the American drug companies line up and reduce their costs for VA. They don't scream and they don't holler and squirm away. They like to deal. And the VA serves the veterans. Why is it we can't do the same thing for Medicare? It is just that simple.

The fact that we didn't is the reason the administration last Friday had to put 1,500 pages of regulations together on an already complicated bill to try to explain the Medicare prescription drug benefit that is, frankly, not what it should be. We started off understanding the need. We passed a bill that didn't meet that need. Now, in the name of the ownership society, we are saying to people: You own the right to be virtually defenseless in bargaining with pharmaceutical companies and HMOs.

Is that what we are here for—to make certain their profitability goes through the roof at the expense of seniors who can't afford lifesaving drugs? I don't think so.

The time will come—and I hope soon—when we will have reforms of this Medicare prescription drug program. When we do, let us keep our first obligation to our seniors.

I yield the floor.

HONORING OUR ARMED FORCES

SERGEANT THOMAS EUGENE HOUSER

Mr. GRASSLEY. Mr. President, I rise in remembrance of a brave Iowan who has left his countrymen to join the ranks of those who have paid the highest price in the defense of freedom. Sergeant Thomas Eugene Houser was a native of Council Bluffs, IA and was killed on January 3, 2005, in action against enemy forces in the Al Anbar Province of Iraq. He was twenty-two years old.

An active young man, SGT Houser participated in football, wrestling, and track while attending St. Albert's Catholic High School and is remembered by his family and friends as a compassionate soul who, as his mother says, could "talk to anyone." As a boy, he dreamed of following in the tradition of military service set by his father and grandfather, a dream which he fulfilled courageously as a member of the 1st Marine Division.

I ask my colleagues to join me and all Iowans in remembering SGT Houser. My prayers go out to his family and friends who feel his loss so deeply. Such men as Thomas Houser inspire us to hold in ever higher esteem the ideals of freedom and service. His valor shall certainly not be forgotten.

PRIVATE FIRST CLASS GUNNAR BECKER

Mr. JOHNSON. Mr. President, I rise to pay tribute to PFC Gunnar Becker, a member of the United States Army, who died on January 13, 2005, while serving in Operation Iraqi Freedom.

PFC Becker was a member of the 63rd Armored Regiment, 1st Infantry Division.

Answering America's call to the military, PFC Becker joined the U.S. Army shortly after graduating from Artesian-Letcher High School in 2003. His friends remember him as a good-natured, outgoing person with boundless enthusiasm and confidence to match. Kelvin Peterson, a good friend remembers him as always being able to put a smile on people's faces. Kelvin said, "He knew how to make a person laugh and have a good time, because that's what he was all about, having a good time."

PFC Becker served our country and, as a hero, died as a proud member of our Armed Forces. He served as a model of the loyalty and dedication that comes with preservation of freedom. The thoughts and prayers of my family, as well as our Nation's, are with his family during this time of mourning. As well, our thoughts continue to be with all those families who have children, spouses, parents, and other loved ones serving overseas.

PFC Becker lived life to the fullest and was committed to his family, his Nation, and his community. It was his incredible dedication to helping others that will serve as his greatest legacy. Our Nation is a far better place because of PFC Becker's contributions, and, while his family, friends, and Nation will miss him very much, the best way to honor his life is to remember his commitment to service and his family.

I join with all South Dakotans in expressing my sympathies to the friends and the family of PFC Becker. I know that he will always be missed, but his service to our Nation will never be forgotten.

SPECIALISTS JIMMY BUIE, JOSHUA MARCUM AND JEREMY MCHALFFEY

Mrs. LINCOLN. Mr. President, I rise today to honor the lives of three brave Arkansans and to pay tribute to the sacrifice they made on behalf of our freedom. Jimmy Buie, Joshua Marcum, and Jeremy McHalfey were all beloved by their families, admired by their friends, and respected within their communities. Today, they are remembered as heroes by the grateful Nation for whom they gave their lives.

SPCs Buie, Marcum, and McHalfey were proud members of the Arkansas National Guard's 39th Infantry Brigade. Together, they served with the 2nd platoon of Bravo Company, 3rd Battalion of the 39th, a close-knit group who quickly earned a reputation for dependability and whose soldiers were known to do absolutely anything for each other. This was especially true for SPC Marcum, SPC McHalfey, and SPC Buie, who were all roommates at their company's base at Camp Gunslinger, just north of Baghdad.

It was obvious to those who served with them that in addition to being outstanding soldiers, these three men were so much more. While the easy-going SPC Buie and SPC Marcum could always be counted on to brighten a mood with their humor and infectious smiles, the hard-charging SPC